

FOR IMMEDIATE RELEASE

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MAYOR JERRY SANDERS
PRESS RELEASE

**SANDERS: CITY TO SAVE MILLIONS BY
OUTSOURCING INFORMATION TECHNOLOGY**

Mayor's Plan will reduce costs by \$7.4 million

Mayor Jerry Sanders announced on Tuesday that the city of San Diego is poised to save at least \$7.4 million dollars over the next five years as a result of a reform effort to outsource the city's Information Technology (IT) services.

The Data Processing Corporation (DPC) has been the city's main provider of IT services for the past 30 years. This is the first time that the entire portfolio of IT services has been put out to bid since DPC was awarded the contract.

"In an effort to reduce our costs and bring our IT system out of 1970s era technology, my administration last year launched a fair and open process that allows private companies an opportunity to bid for the right to provide the city with a variety of IT services," said Sanders.

Mayor Sander is recommending that the Council contract with two companies. Specifically, Sanders is proposing a five-year, \$47 million dollar contract with Atos IT Solutions and Services and a five-year, \$70.6 million contract with CGI Technologies and Solutions. These two contracts will collectively save the city \$7.4 million dollars over five years, compared to what the city is currently paying for the same services.

And, if Council approves a two-year option to extend services at the end of the five-year term, that figure jumps significantly to \$21.6 million.

The city will achieve additional savings once a bidder protest is resolved regarding a separate group of IT services.

The selected vendors will provide a variety of services including but not limited to software maintenance and development, help desk support for city employees, as well as a host of other services and support.

Additional benefits to both city and taxpayers includes greater transparency in regards to the IT budgeting process and cost allocations, enforceable remedies for not meeting minimum contractual performance requirements which costs are currently absorbed by the city, and fixed price contracts that allow for better predictability in the city's IT costs.

Sanders' proposal will go before the Rules Committee on tomorrow (April 18) and before Council in the next few weeks. With Council approval, transition to the new vendors will begin at the beginning of the new fiscal year, on July 1st.

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